



CALIFORNIA
DEPARTMENT OF
EDUCATION

1430 N STREET
SACRAMENTO, CA
95814-5901

JACK O'CONNELL

State Superintendent of
Public Instruction

PHONE: (916) 319-0800

June 1, 2004

Dear: Executive Directors, Child Development Programs

2004-05 CHILD DEVELOPMENT CONTRACTS

Attached is a summary of the changes in the 2004-05 Child Care and Development contracts and Funding Terms and Conditions (FT&Cs). Please note, however, that you should be familiar with all contract requirements in addition to the changes made for 2004-05.

In July 2004, the FT&Cs will be available on the Internet at <http://www.cde.ca.gov/fg/aa/cd/> (Please note this a new Web site address) and may be downloaded and printed for your files. Prior year, 2003-04 FT&Cs will remain on the Web site for your convenience. In addition, the program requirements for the quality (one-time only) programs will also be posted to the Web site. However, if you do not have Internet capabilities, you may request a hard copy by contacting the appropriate contract analyst listed below.

Please sign and return your contract(s) to the Contracts Office as soon as possible to ensure timely receipt of your first apportionment. Public agencies needing a resolution may forward their contracts prior to formal board action (local policies permitting) if a letter is included indicating when the board will meet and that the required resolution will be forwarded to the Contracts Office at that time.

Any changes as a result of the enactment of the Budget will be incorporated into the amendments for 2004-05. Also, language will be included in the 2004/05 COLA amendments incorporating recent changes made to the *California Code of Regulations, Title 5, Education* (5CCR) regarding Desired Results for Children and Families.

Center-Based

- Reduced the eligible age limit for child care in Section II.A, Eligibility and Need Criteria and Documentation, General Requirements pursuant to Budget Act (Ch. 157/03 and AB 1800/04). (p. 34, GCTR) General Fund only
- Deleted grandfathering language under "Income Eligible" in Section I, Definitions, Program Requirements pursuant to Budget Act (Ch. 157/03 and AB 1800/04) (p. 30, GCTR)

Housing and Development (HUD) merged with Center-Based (GCTR/FCTR)

As part of CDE's program simplification, the Housing and Development (HUD) program has been combined into the Center-Based Child Development program (GCTR/FCTR). To incorporate HUD's admission priorities into the center-based funding terms and conditions, the following sections have been revised:

- Added sentence to address the admission priorities for agencies serving subsidized children in a housing development occupying assisted and non-assisted units, Section IV. B, Admission Policies and Procedures, Admission Priorities, Waiting list and Displacement. (p. 35/GCTR)
- Corrected second paragraph in Section II.P, "Conflicts of Interest," to comply with OMB A-122 requirement regarding "Cost Principals for Non-Profit Organizations. (GCTR only)

Alternative Payment

- Reduced the administrative and support costs for alternative payment programs from 20 to 19 percent of payments to providers under the definition of "Earned" pursuant to Budget Act (Ch. 157/03 and AB 1800/04). (p. 2, GAPP)
- Revised the definition of "Co-payment" pursuant to the Budget Act (Ch. 157/03 and AB 1800/04). (p. 27, GAPP)
- Revised language in Section II.G, General Provisions, "Payment to Providers," pursuant to the Budget Act (Ch. 157/03 and AB 1800/04). (p. 27, GAPP)
- Reduced the eligible age limit for child care in Section II.A, Eligibility and Need Criteria and Documentation, General Requirements pursuant to Budget Act (Ch. 157/03 and AB 1800/04). (p. 29, GAPP) General Fund only
- Revised language for fee assessment in Section V, Fee Schedule pursuant to Budget Act (Ch. 157/03 and AB 1800/04). (p. 37, GAPP)

2004-05 SUMMARY OF CHANGES FOR
CHILD CARE AND DEVELOPMENT CONTRACTS

June 1, 2004

Page 3

- Revised requirements for Contractor Policies to incorporate revised market ceiling rate pursuant to Budget Act (Ch. 157/03 and AB 1800/04) (p. 38, GAPP)

Direct Service Programs

- Revised date to submit summary of findings from self-study, Section IX. Program Quality Requirements, Annual Self-Study Process, pursuant to the Desired Result for Children and Families regulations approved in September 2003. (p. 51)

Combined General and Federal R&R

The General and Federal Funded Resource and Referral contracts have been combined into one Resource and Referral contract. To combine the requirements of both fund sources, the following changes were made the General R&R:

- Added the required federal grant information language on page 1. This information is applicable only to the federal funds in the contract.
- Added arm's length transaction language applicable to federal funds in Section II.P, "Conflicts of Interest, " to comply with OMB A-122 requirement regarding "Cost Principals for Non-Profit Organizations. (p. 7.)

If you have any questions regarding the changes, please call Doris Morris, Manager, Child Development Contracts and Procurement, at (916) 323-5591 or email at dmorris@cde.ca.gov, or Donna Salaj, Manager, Contracts Office, at (916) 323-7397 or dsalaj@cde.ca.gov. If you have questions regarding the status of your contract, please call:

Sandy Shongood	(916) 323-5890	General Fund Contracts
Dawn Odekirk	(916) 445-6826	Federal Fund and CalWORKs Contracts
Bettina Gray	(916) 445-3844	Quality Contracts

Sincerely,

Gerald C. Shelton, Director
Fiscal & Administrative Services Division